

Cost of Addictive and Mental Disorders and Effectiveness of Treatment

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SAMHSA

Substance Abuse and Mental Health Services Administration
Public Health Service
U.S. Department of Health and Human Services

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OVERVIEW

Addictive and mental disorders extract an enormous economic and social cost from society, including the breakup of our families ... violence in our neighborhoods ... homelessness in our streets. We have reduced some of the consequences of these problems. We can do more.

Four salient points are supported by illustrative data in this chart book, as follows:

- The economic and social costs of untreated addictive and mental disorders are very high to individuals and to society;
- Effective treatments for many of these disorders are well documented;
- In the context of managed health care, with quality standards maintained, treatment costs can be both affordable and controllable; and,
- Treatment of substance abuse and mental illness provides substantial cost savings in other medical care areas.

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Economic Costs and Prevalence of Addictive and Mental Disorders

Society pays an enormous price for addictive and mental disorders.

- This Nation's direct medical care costs and indirect costs (e.g. productivity losses) of alcohol and other drug abuse and mental illness totalled more than \$314 billion in 1990 (Rice et al., 1990). That was more than cancer (\$104 billion in 1987), respiratory disease (\$99 billion in 1990), AIDS (\$66 billion in 1991), or coronary heart disease (\$43 billion in 1987) (Greenberg et al., 1993).
- One-third of all criminal justice costs relate to alcohol and other drug abuse and mental illness. These costs include police protection, legal and judicial services, drug traffic control, and other services (Rice et al., 1990).
- An estimated 50 percent of all homicides, 30 percent of all suicides and 30 percent of accidental deaths are associated with alcohol abuse (Moore et al., 1990).

1990 ADM Costs To Society In Billions (Total = \$314)

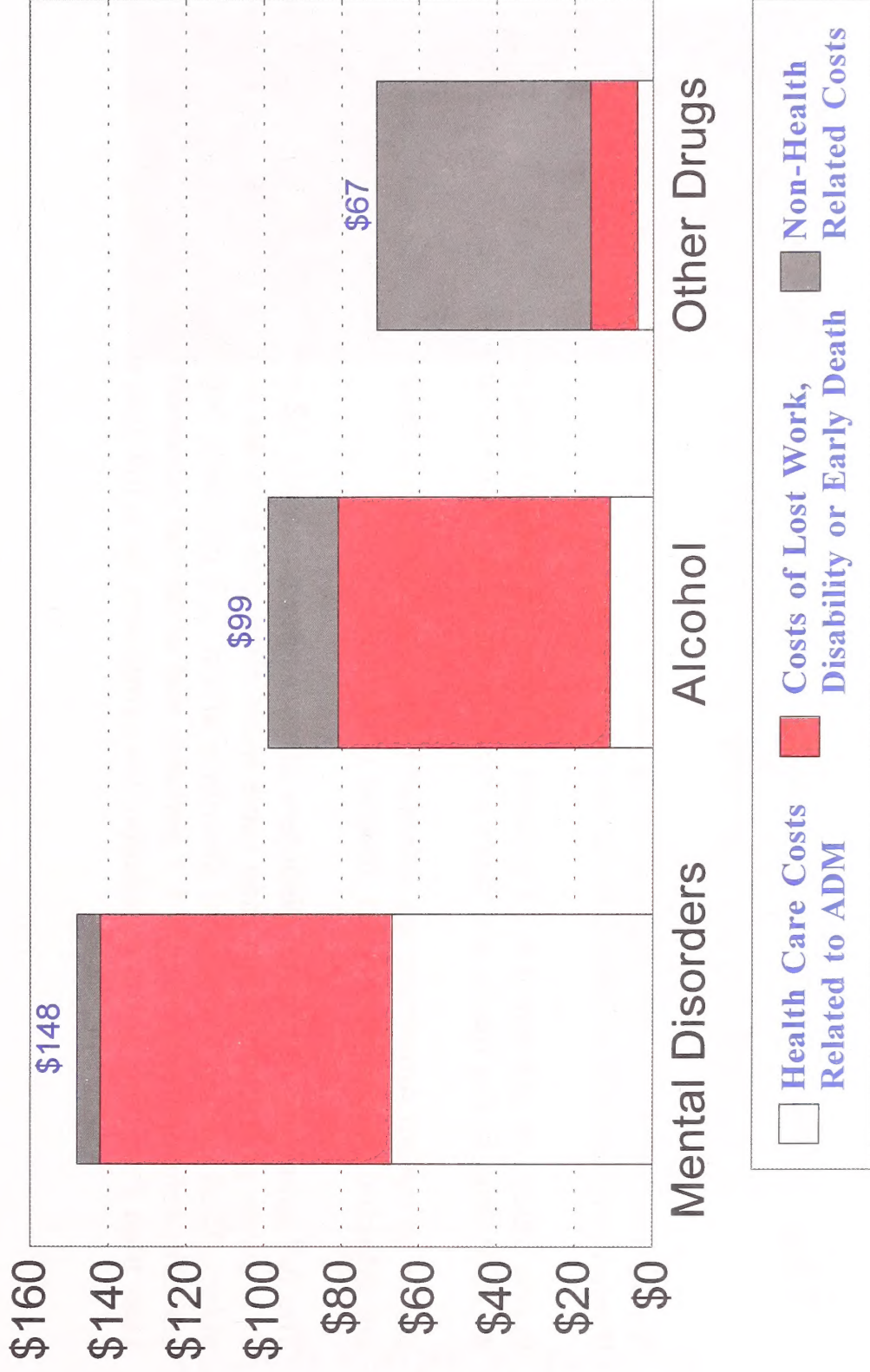


Chart 1

Source: Rice and Miller, 1993; Brandeis University, 1993

The prevalence of addictive and mental disorders is substantial and widespread.

- An estimated 11.4 million Americans use illicit drugs and 10 million are problem drinkers (Preliminary estimates, NHSDA, SAMHSA, 1993).
- In one study, an estimated 6.72 percent of pregnant women used alcohol and 3.49 percent used an illicit drug in the hours and days preceding delivery (Vega et al., 1993).
- Some 15 million Americans are affected by depression during their lifetimes -- twice as many as are affected by coronary heart disease (Greenberg, 1993).
- The full spectrum of mental disorders affects approximately 22 percent of the adult population in a given year (individuals may have more than one disorder in that year). Anxiety disorders affect 12.6 percent; affective disorders affect 9.5 percent; cognitive impairment affects 2.7 percent; schizophrenia affects 1.1 percent; and antisocial personality disorder affects 1.5 percent. Less than 7 percent of the population has symptoms for a full year or longer (Regier et al., 1993).

Annual Prevalence of Addictive and Mental Disorders Among Adults

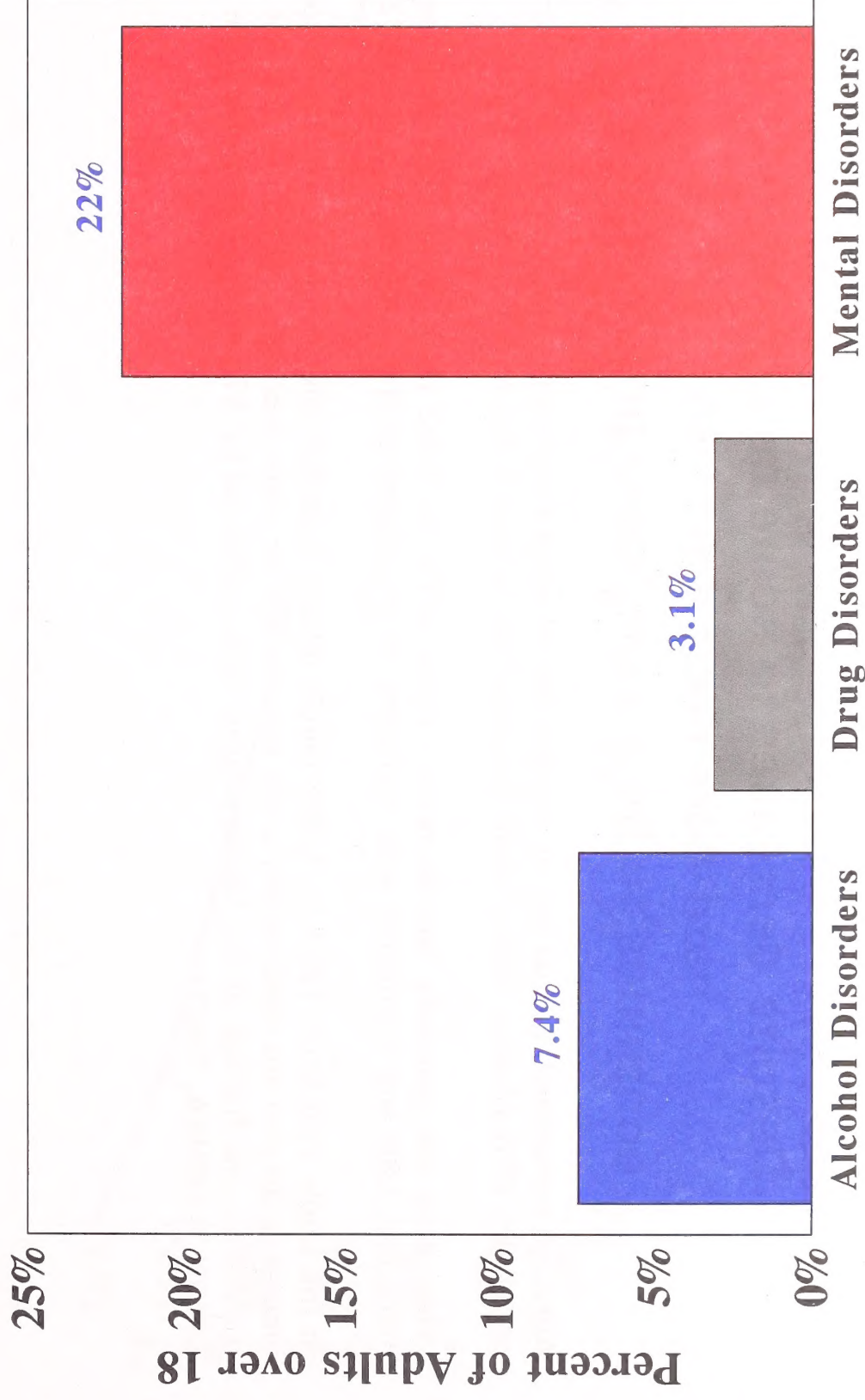


Chart 2
Source: Regier, et al., 1993

Despite decreases in some categories, hard-core illicit drug use continues to be a significant problem.

- Although occasional, casual use of cocaine has dropped significantly since a peak in 1985, the population of hard-core, heavy users has remained constant (Gfroerer & Brodsky, 1993).
- While drug use generally has decreased since 1975, in 1992 there were signs that use of marijuana, LSD and stimulants was increasing among eighth graders (Johnston et al., 1993).
- In the single year from 1991 to 1992, heroin-related hospital emergency department episodes increased 34 percent nationwide, while cocaine-related visits increased by 18 percent. For the population over the age of 35, heroin-related visits increased by 47 percent (Estimates from the DAWN, SAMHSA, 1993).

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Illicit Drug Use 1982-1992

Any Drug Use in Past Month

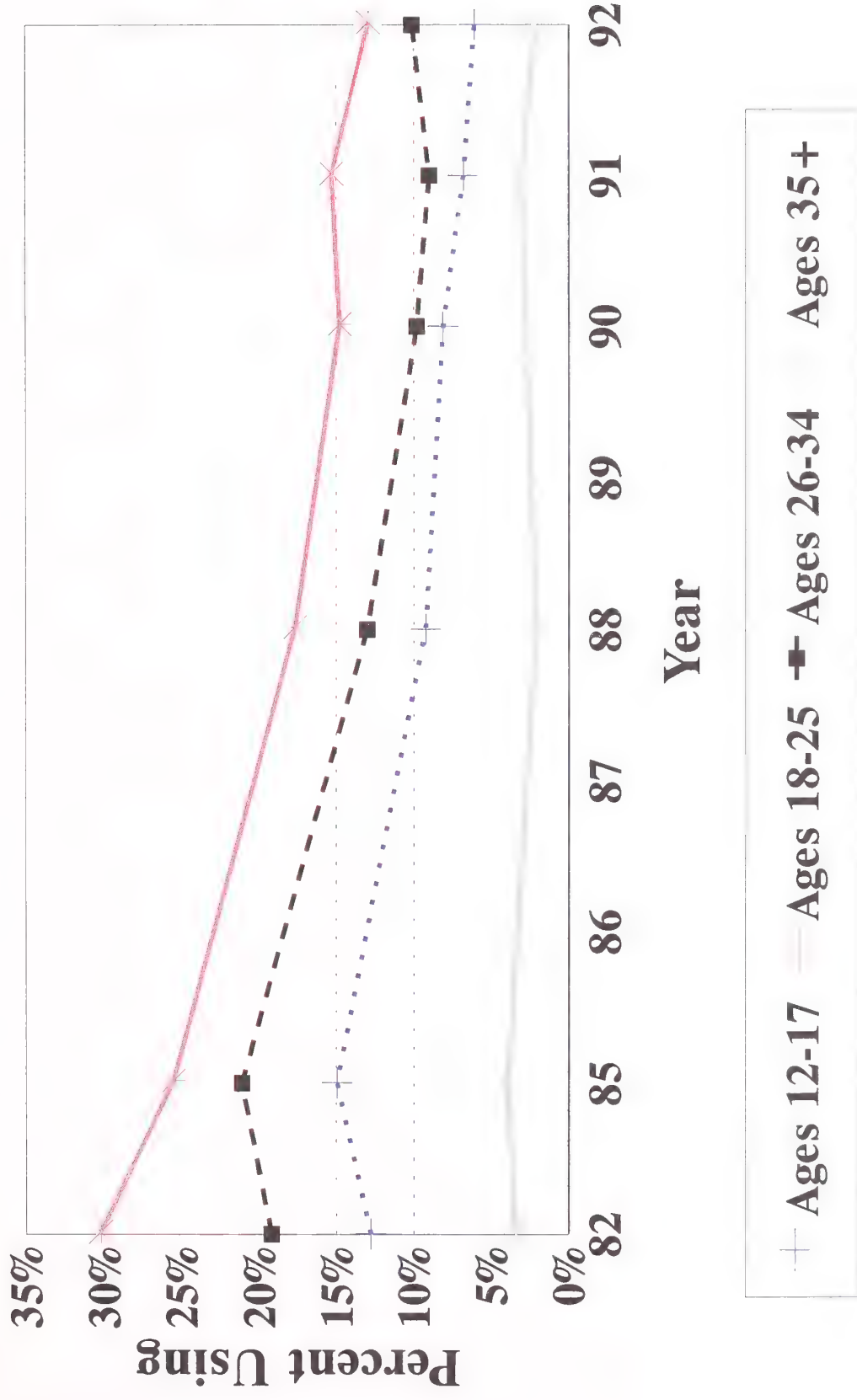


Chart 3

Source: Office of Applied Studies, SAMHSA, 1993
National Household Survey on Drug Abuse

Effectiveness of Treatment

Treatment for mental disorders is successful and comparable to somatic therapies.

- Outpatient treatment and rehabilitation programs for people with schizophrenia can reduce psychiatric re-hospitalization rates, improve quality of life, prevent homelessness, and increase the likelihood of gainful employment (Hargreaves & Shumway, 1989).
- Half of the people who receive treatment for schizophrenia either recover completely or are able to live independently with only modest psychosocial support (Biology of mental disorders, OTA, 1992).
- While treatment is effective, depression is underdiagnosed and undertreated by primary care and other non-psychiatric practitioners (Clinical practice guideline 5, AHCPR, 1993).

Short Term Treatment Efficacy for Mental Disorders



Chart 4

Source: Health Care Reform for Americans with Severe Mental Illnesses, NIMH, 1993

Treatment for mental disorders is effective.

- In 1990, some \$63.1 billion worth of goods and services were not produced because workers were struggling with the effects of untreated mental disorders (Rice & Miller, 1993).
- Depression alone costs an estimated \$44 billion each year. Employers bear more than half this cost in employee absenteeism and reduced productivity (Greenberg, 1993).
- Following treatment for mental disorders, work outcomes improve consistently and significantly, according to recent meta-analyses. Outcomes continue to improve with increased duration of treatment (Mintz et al., 1992).

One Year Relapse Rates for Severe Mental Illness

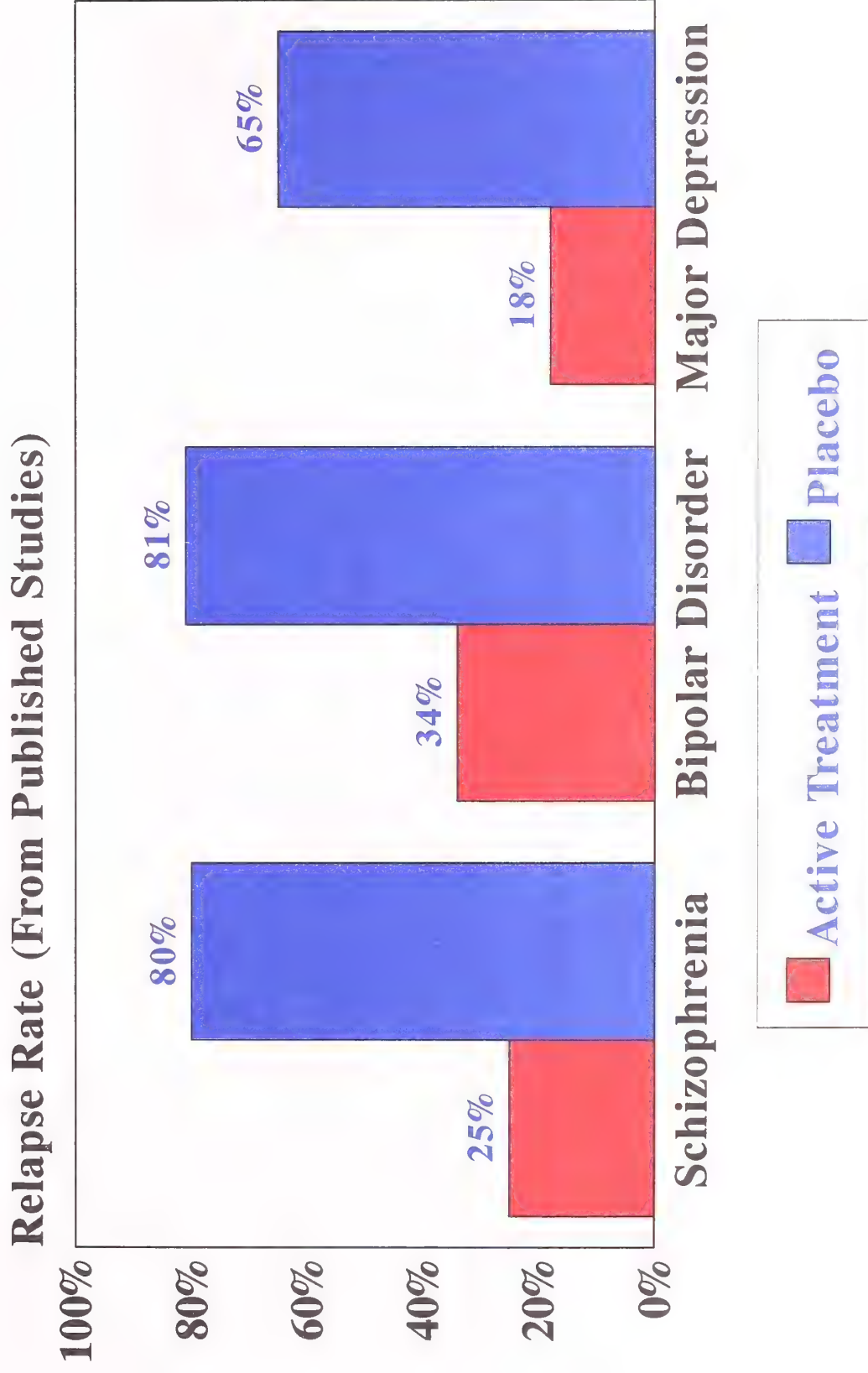


Chart 5

Source: National Advisory Mental Health Council, 1993

Treatment for mental disorders of children and adolescents is effective.

- Prevalence estimates converge on a range of 3 to 5 percent of all children under age 18 as having a severe mental disorder (Brandenberg et al, 1991).
- Comprehensive community-based services for children and adolescents cut State hospital admissions and inpatient bed days by between 39 and 79 percent, and reduced average days of detention by 40 percent (Stroul, 1993).

Benefits of Comprehensive Treatment for Children with Serious Emotional Disturbances

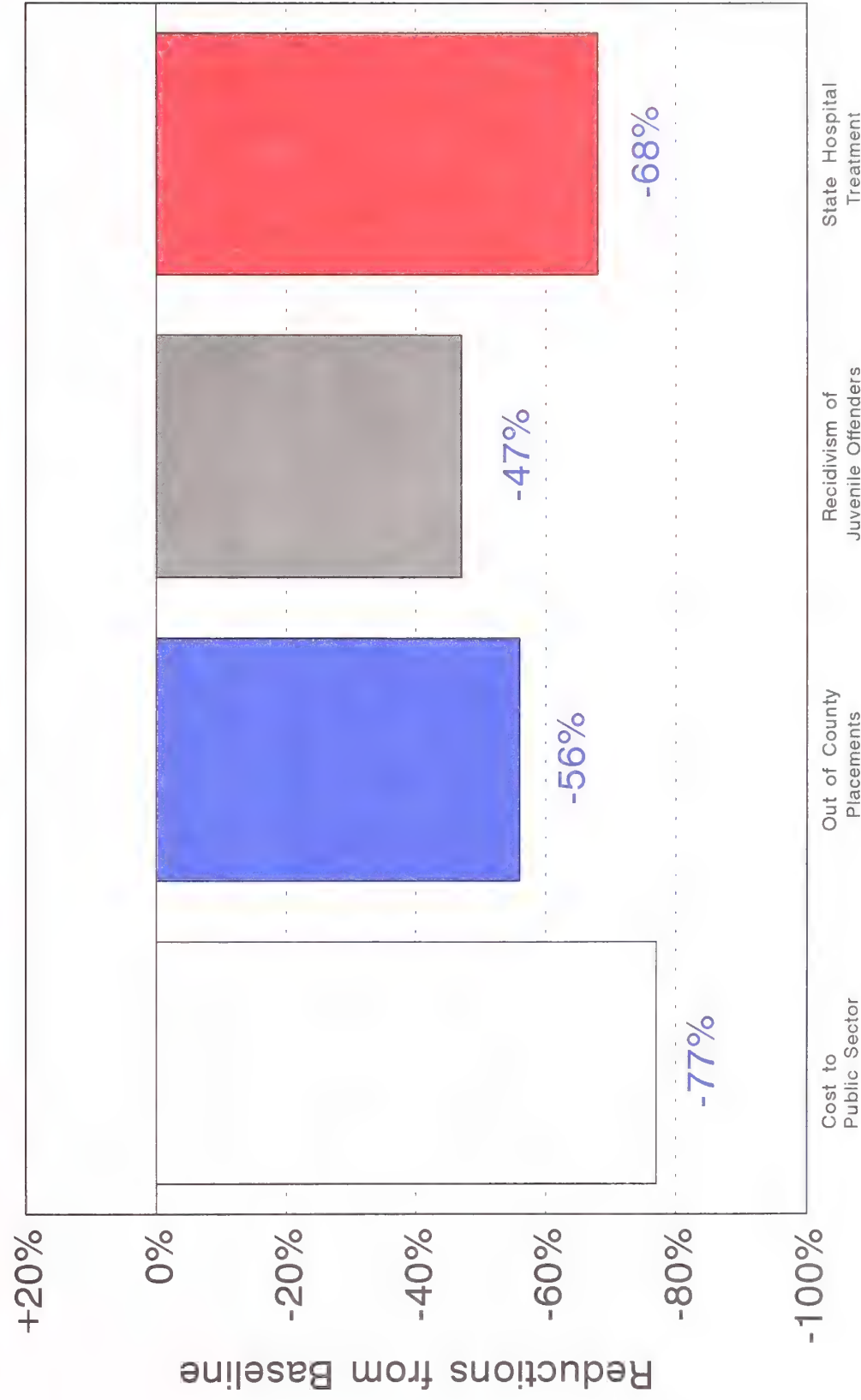


Chart 6
Source: Goldman, 1992

Treatment for substance abuse is effective.

- Untreated, people addicted to cocaine deteriorate. While waiting for treatment to become available, participants in one study reported accelerating problems in employment and support (80 percent), increasingly severe medical problems (56 percent), and worsening substance abuse problems (48 percent) (Urschel, 1991).
- Treatment is far less expensive than the likely alternatives. One year of methadone treatment for heroin addiction costs \$3,500. One year of incarceration costs \$39,600. One year of untreated addiction costs society an estimated \$43,200 (Drug abuse treatment, NIDA, 1991).
- After one year in methadone treatment for heroin addiction, nearly three-fourths of the injecting drug users in one study had ceased injecting drugs (Ball et al., 1988).

Regular Heroin Use Before and After Treatment In Selected Effective Programs

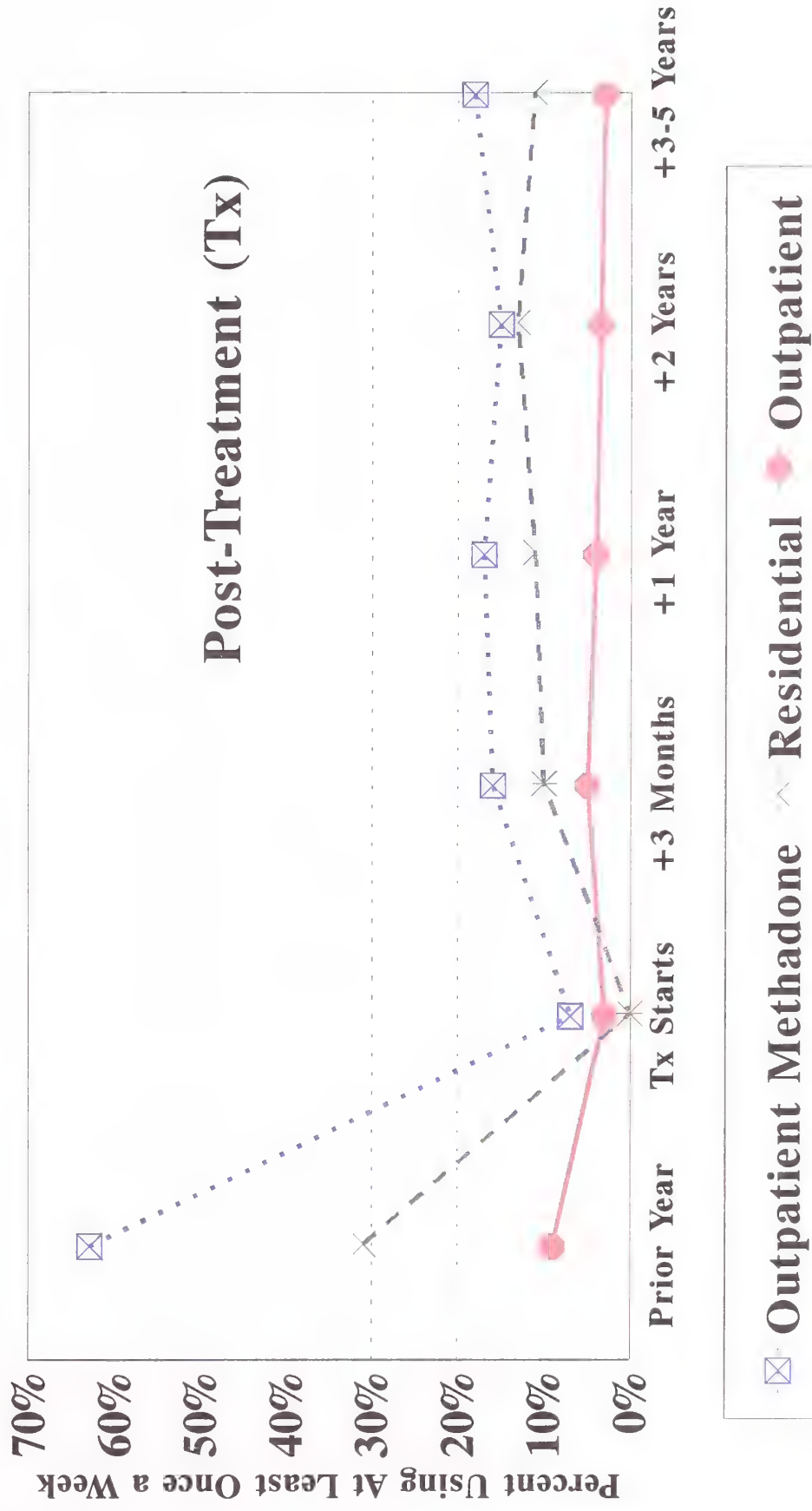


Chart 7

Source: Hubbard, et al., 1989

Drug treatment reduces violence and other crime.

- In one study, 33 percent of individuals in outpatient methadone treatment for heroin addiction reported that during the year prior to treatment, they committed at least one predatory crime (Hubbard et al., 1989).
- Half of the individuals arrested for assault and homicide test positive for illicit drugs and two-thirds for alcohol (Drug use forecasting, DOJ, 1993).
- In one treatment program for incarcerated felony offenders, only 35 percent of participants were re-arrested and 79 percent were employed upon release (Preliminary evaluation, SAMHSA-CSAT, 1993). The re-arrest rate for all offenders nationally is 63 percent (Drugs, crime and justice, DOJ, 1992).

Commission of Predatory Crimes Before and After Treatment

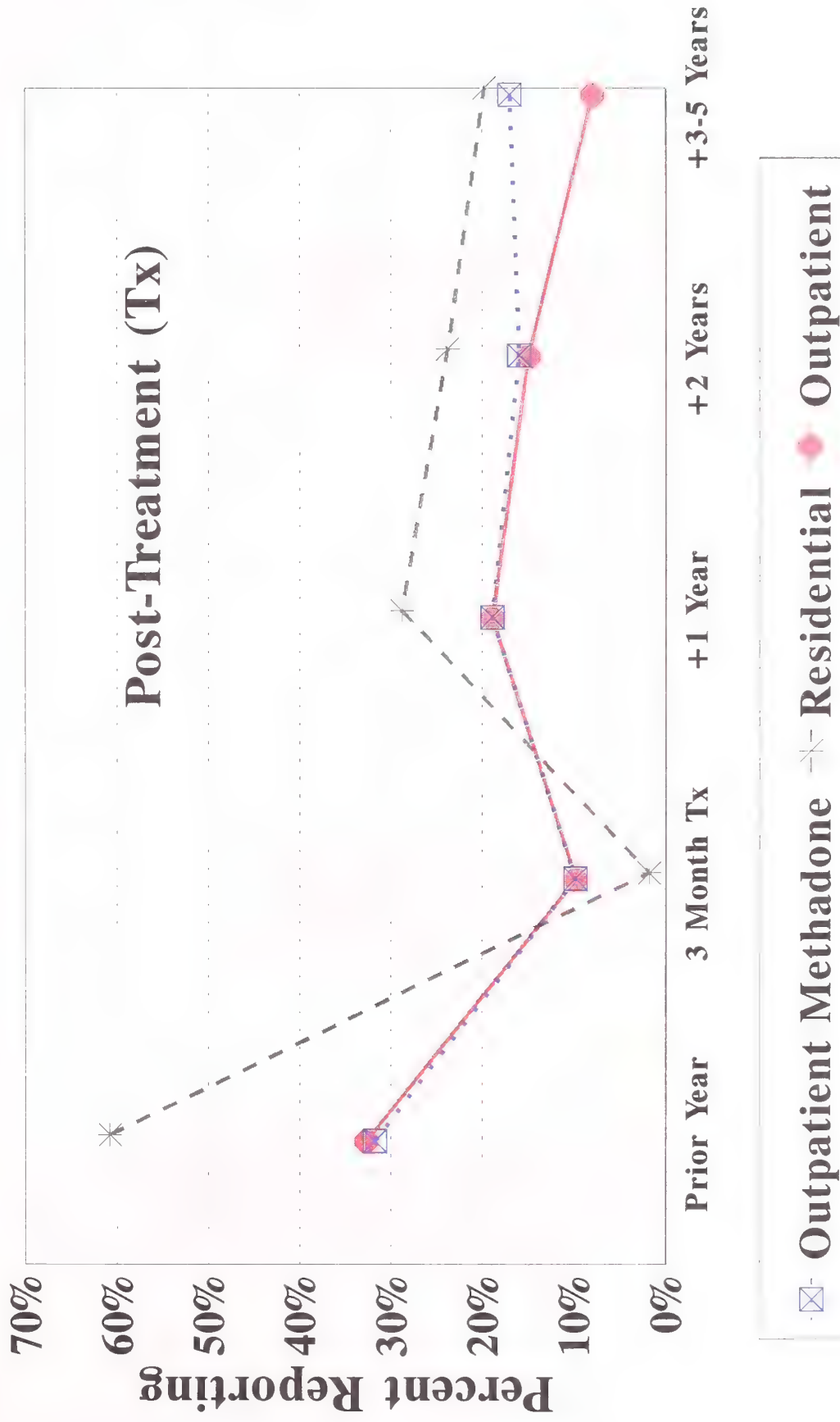


Chart 8

Source: Hubbard, et al., 1989

Treatment for addictive disorders enhances performance on the job and elsewhere.

- An estimated 59 percent of the adults who report using an illicit drug during the past month are employed (Preliminary estimates, NHSDA, SAMHSA, 1993).
- After treatment for alcoholism, 90 percent of participants in one study consistently rated satisfactory job performance (Wright et al., 1990).
- There was a 20 percent reduction of accidents on the job following intervention by an Employee assistance Program (Yandrick, 1992).

Job Problems Drop After Inpatient Alcohol and Other Drug Abuse Treatment

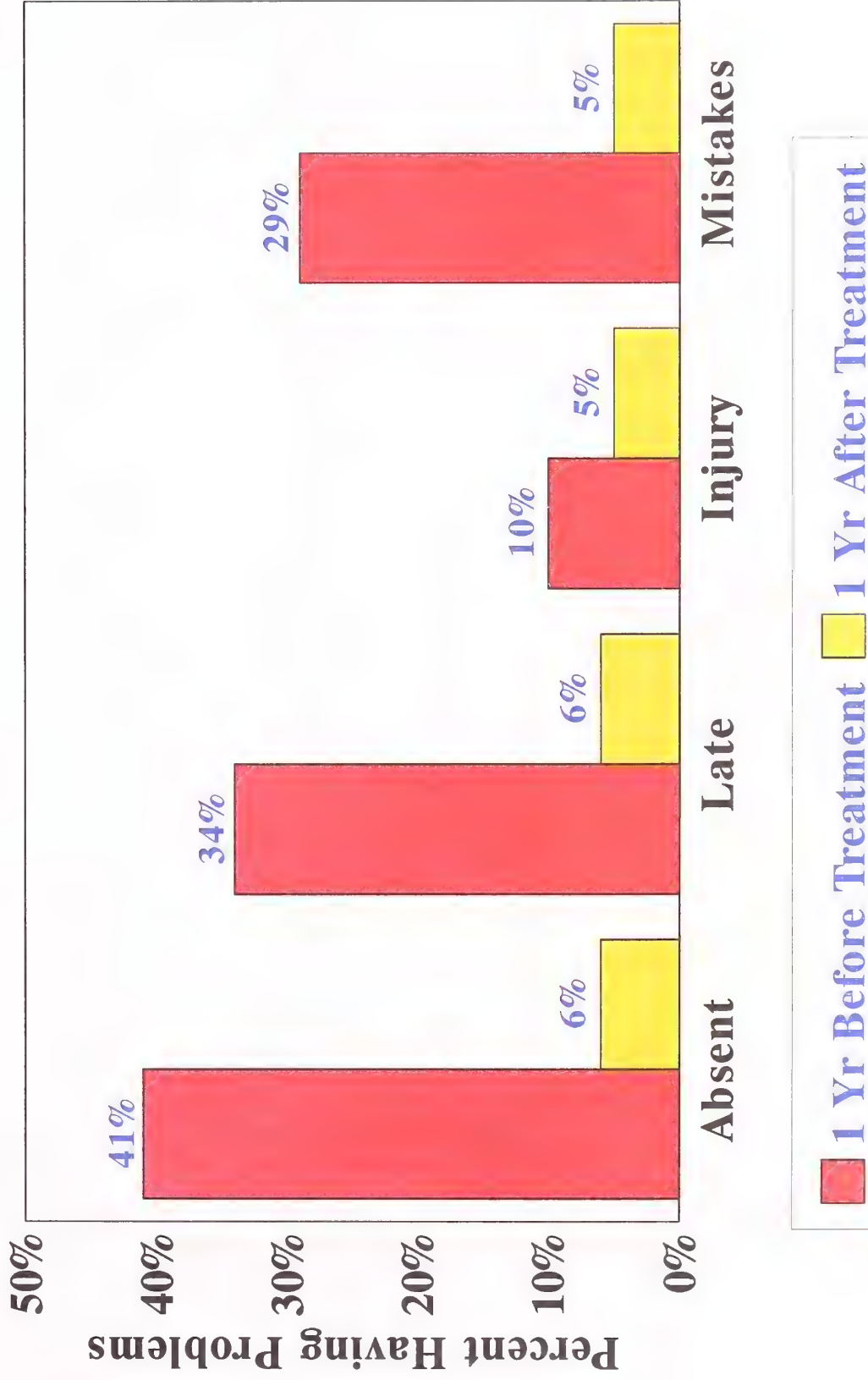


Chart 9

Source: Harrison and Hoffman, 1989

Substance abuse treatment slows the spread of HIV/AIDS.

- Nearly three-fourths (74 percent) of all pediatric AIDS cases are related to the mother's injecting drug use or sex with an injecting drug user (The twin epidemics, NCA, 1991).
- Injecting drug use is the primary mode of transmission of HIV among women and is responsible for 71 percent of cases of women with AIDS (op. cit.).
- Over the course of one year, in one study, 4 percent of participants who were in treatment for substance abuse became HIV-positive; 16 percent of those who were not in treatment became HIV-positive (Metzger et al., 1991).

The Effect of Drug Abuse Treatment on HIV Seropositivity Rates

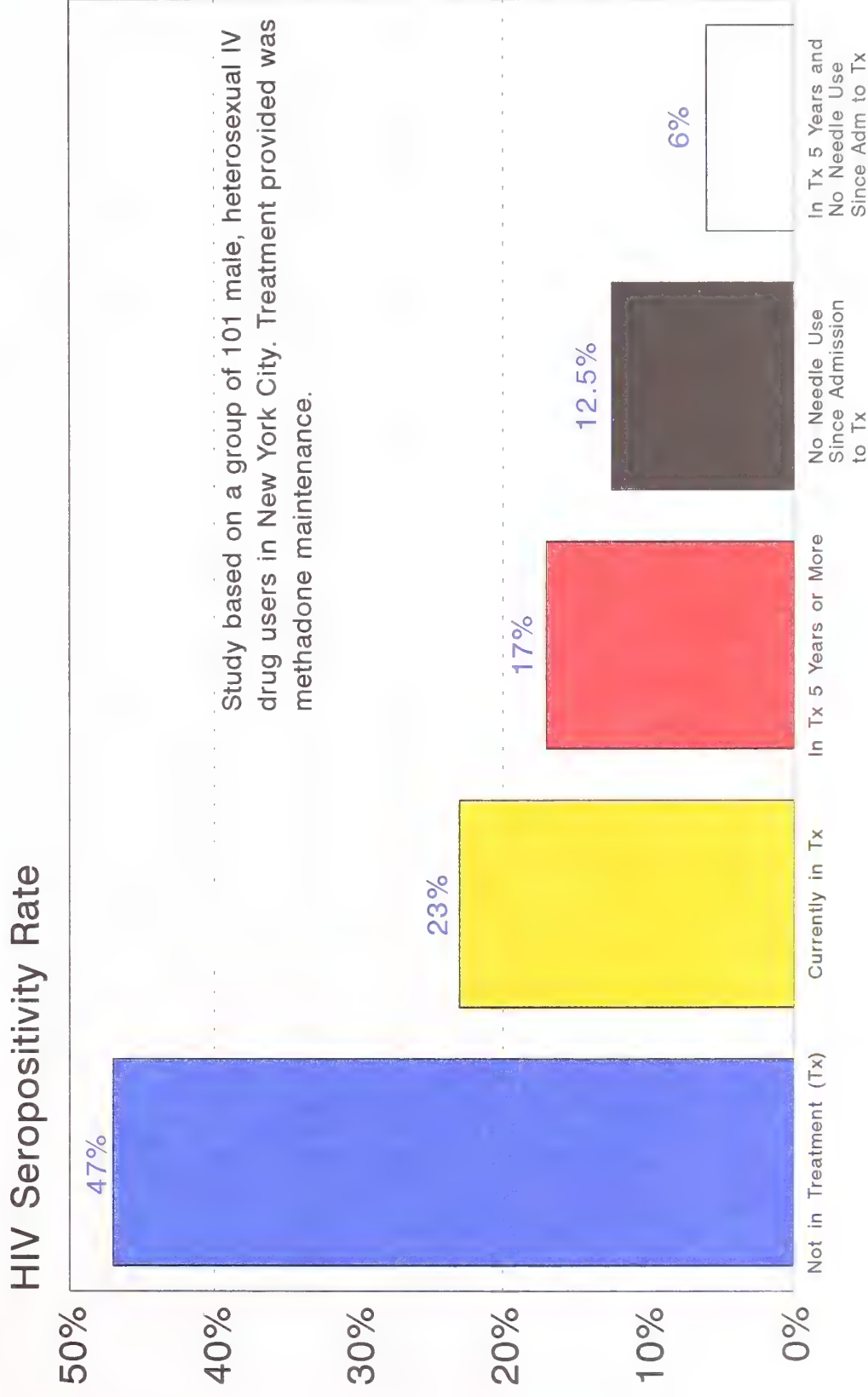


Chart 10

Source: Novick, et al., 1985

Substance Abuse and Mental Health Treatment Costs Can Be Affordable and Controllable

With managed health care, substance abuse and mental health treatment costs can be affordable and controllable.

- A managed care health insurance benefit for alcohol abuse leads to increased use of appropriate treatment services and may reduce use and costs of general medical care services (Broadening the base, IOM, 1990).
- When a major corporation introduced a managed mental health and substance abuse plan, mental health and substance abuse costs were reduced by 40 percent in the first year. Subsequent year's increases were held to only 4 percent. Employee response was extremely positive (Effectiveness of managed care, SAMHSA, 1993).
- A company that provides managed mental health and substance abuse care to major corporations, in an assessment of its seven largest clients, documented an average reduction in mental health and substance abuse expenses of 23 percent and no restriction of access. Mental health and substance abuse claims decreased from 11.8 percent of total medical claims to 8.3 percent (op. cit.).

Utilization of Inpatient Care

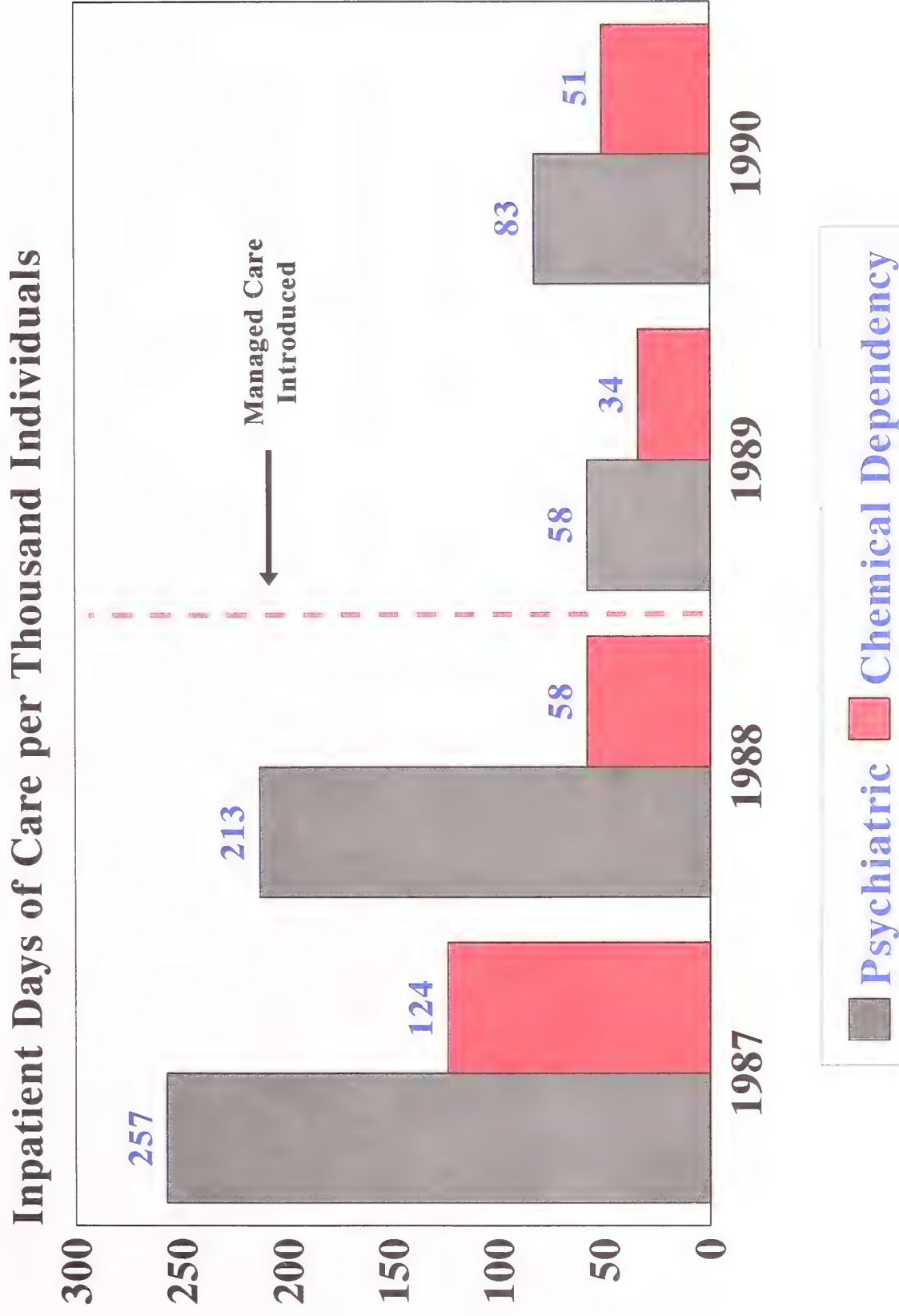


Chart 11
Source: Yandrick, 1992

Investment in Substance Abuse and Mental Health Treatment Supports Substantial Cost Offsets

Treatment for substance abuse saves overall health care dollars.

- Without treatment, alcoholics spend twice as much on health care as people without alcohol abuse problems (Eighth Special Report to Congress, DHHS, 1993).
- Approximately one half the cost of alcohol and drug abuse treatment is offset within one year by subsequent reductions in the use of medical services by the affected family, not just the primary patient (Luckey, 1987).
- Two years after substance abuse treatment, one study documented a 40 percent reduction in the health care costs of participants (Lennox, 1993).

Alcohol Treatment Reduces Health Care Costs

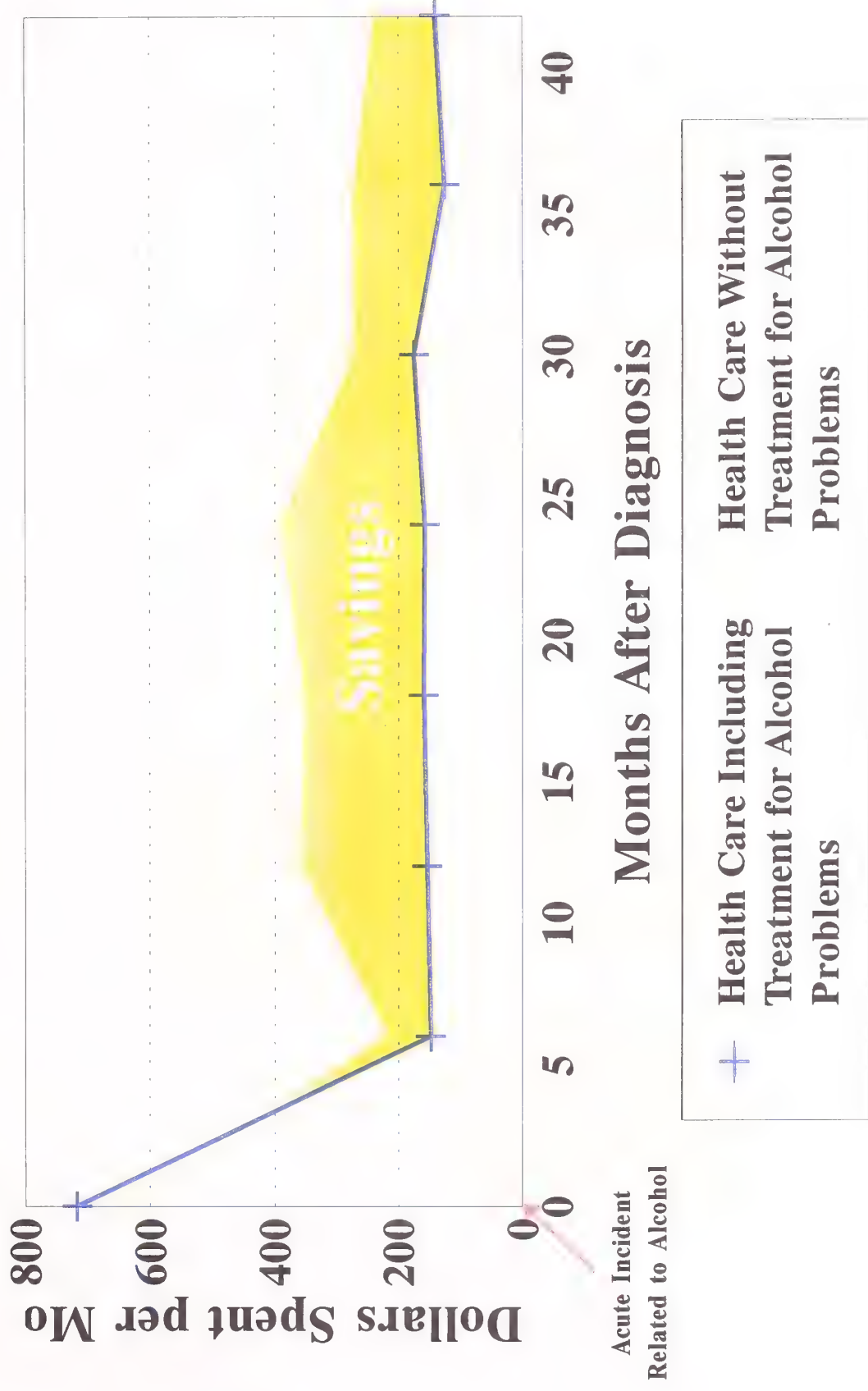


Chart 12

Source: Holder and Blose, 1992

Treatment for mental disorders saves health care dollars.

- The general conclusion of meta-analyses on offset effect is that treatment for mental disorders is associated with about a 20 percent reduction in the overall use of health care services (Lave, 1990).
- The provision of appropriate mental health services to older people can result in even more significant reductions in their overall health care costs (Holder & Blose, 1987).

All Health Care Costs Drop After Treatment for Mental Disorders

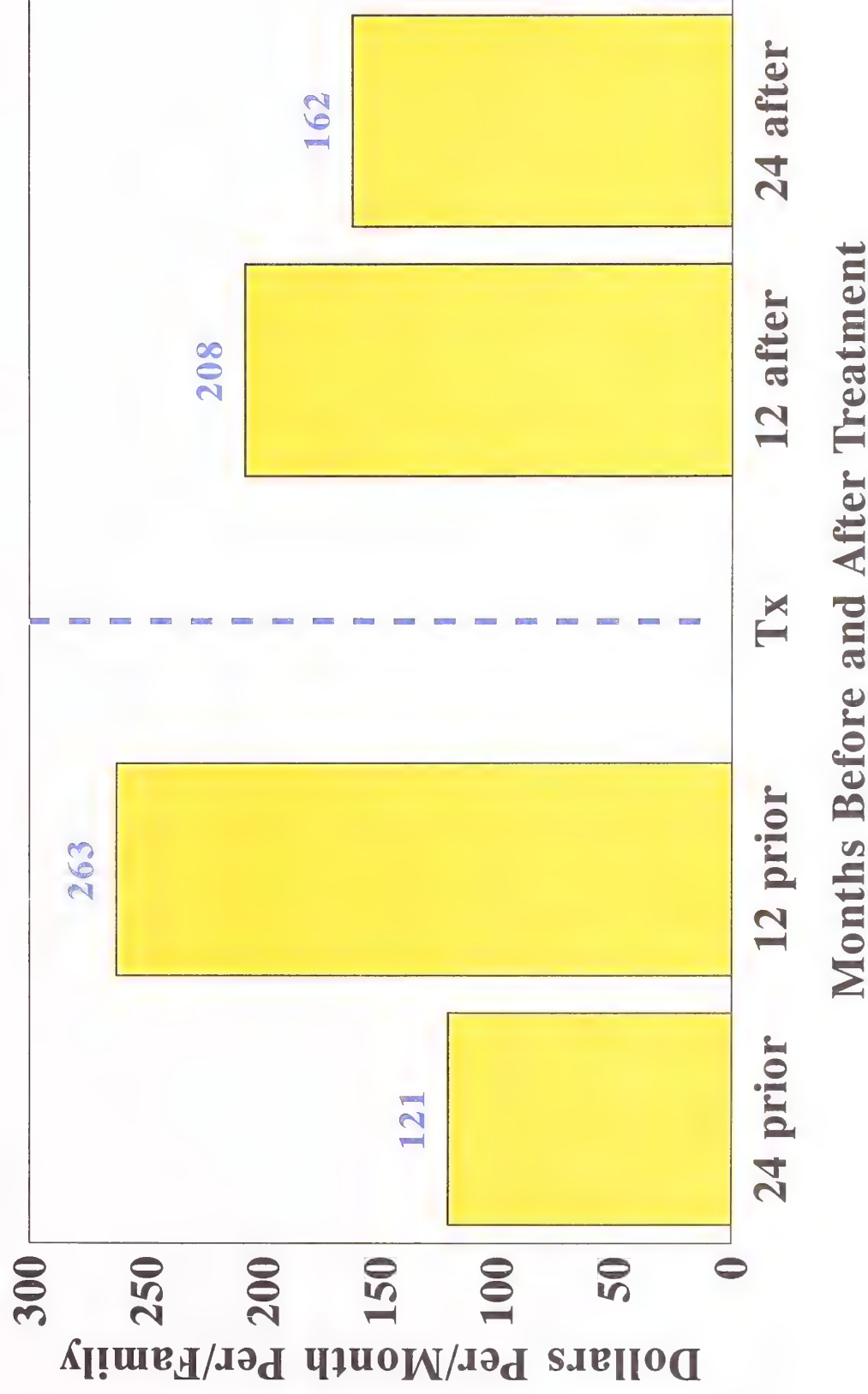


Chart 13

Source: Holder & Blose, 1987

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